



City of Grand Junction

Sales and Use Tax Seminar

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- ▶ Presentation Available Online
 - ▶ www.gjcity.org

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Licensing Requirements

- ▶ Maintaining a physical location or employees;
- ▶ Sending one or more employees, agents or salespersons into the City to solicit business or to install, assemble, repair, demonstrate or service; or
- ▶ **Making more than one delivery into the City within any 12-month period.**



Licensing Requirements

- ▶ City of Grand Junction is HOME RULE
 - ▶ Collect and Administer Sales Tax

- ▶ Sales Tax License Application
 - ▶ \$10 Application Fee
 - ▶ Never Expires

- ▶ Licensed Vendors Fee
 - ▶ Keep 3.33% of Sales Tax Collected



Sales Tax Rate

▶ Combined Rate = 7.65%

▶ Grand Junction 2.75%

▶ Mesa County 2.0%

▶ Colorado 2.9%

Filing Frequency

	Average Monthly GJ Tax Liability	Average Monthly Taxable Sales
ANNUAL Filer	Less than \$15.00	Less than \$545
QUARTERLY Filer	\$15 - \$300	\$545 - \$10,909
MONTHLY Filer	More than \$300	More than \$10,909



Taxable Transactions

- ▶ All Sales of Tangible Personal Property
 - ▶ Unless SPECIFICALLY Exempt

- ▶ Services and Utilities
 - ▶ When SPECIFICALLY identified as taxable

- ▶ Burden of Proof
 - ▶ Sales Tax- VENDOR
 - ▶ Use Tax- CONSUMER



Taxable Transactions

- ▶ Taxable Services
 - ▶ Telecommunication Services
 - ▶ Commercial Fuel
 - ▶ Warranty & Maintenance Services
 - ▶ Lodging Services

Exempt Items

- ▶ Essential Items
 - ▶ Food for Home Consumption
 - ▶ Electricity and Fuel for Residential Use
 - ▶ Prescription Drugs and Prosthetic Devices
- ▶ Feed, Seeds and Orchard Trees
- ▶ Gasoline and Cigarettes
- ▶ Commercial Packaging



Exempt Consumers

- ▶ Resale and Manufacturers
- ▶ Not-for-Profit Agencies
- ▶ Governmental Entities

Resale and Manufacturer

▶ Criteria for Exemption:

- ▶ The purchaser provides a Current & Valid State Sales Tax License

AND

- ▶ The product purchased is for the purpose of taxable resale.

OR

- ▶ The product will be incorporated in a final product that will be resold.



Charitable Organizations

▶ Criteria for Exemption:

- ▶ Must have Exemption Certificate;
- ▶ Payment must be made with organizations funds;
- ▶ Organization will not be reimbursed;

AND

- ▶ Purchase under the regular, religious, or charitable function of the organization.



Government Agencies

▶ Criteria for Exemption:

- ▶ Must be for use within the agency's government functions;

AND

- ▶ Payment must be made with organizations funds.

- ☐ Government Check or Purchasing Card Only



Collection Responsibilities

- ▶ Purchase Price Includes:
 - ▶ Money received in cash or credits
 - ▶ Property taken in exchange
 - ▶ Coupons
 - ▶ Finance Charges*
 - ▶ Transportation, installation and delivery charges*
 - ▶ Labor*

Collection Responsibilities

- ▶ Purchase Price DOES NOT Include:
 - ▶ Sales taxes
 - ▶ Fair market value of property exchanged for purposes of resale
 - ▶ Discounts

Collection Responsibilities

- ▶ Tax Added to Price
 - ▶ Separately Stated
 - ▶ Cannot be absorbed by retailer

- ▶ Trust Status
 - ▶ “shall hold such money in trust for the sole use and benefit of the city until paid to the City.”

- ▶ Excess Tax Collected

- ▶ Disputed Tax



Construction Use Tax

- ▶ Tax NOT INCLUDED in Building Permit
- ▶ General Contractors Liable
- ▶ Voluntary Review Process for Subs
- ▶ Alternative Rate for Construction Equipment



Finding City Limits

- ▶ www.GJCITY.org
 - ▶ Click on GIS MAPS
 - ▶ Street Index
 - ▶ City Map (search by address)

